

CITY OF HAYWARD

and

SEIU, Local 1021 (Maintenance, Clerical & Confidential Units)

SIDE LETTER OF AGREEMENT

**RE: Adjustments to Deferred Compensation Benefit for Affected
Bargaining Units to Address Remaining City Revenue Shortfall for
FY 2009**

The parties have met and discussed the projected revenue shortfall facing the City of Hayward for FY 2008-09 and FY 2009-10. The parties have agreed to institute adjustments to certain benefits in order to aid the City's ability to maintain routine and necessary services. These measures will partially mitigate the City's revenue shortfall. This Sideletter is executed to set out the agreements reached between the parties and this Sideletter shall therefore expire June 30, 2009. The terms and conditions of the cost saving measures are outlined below:

Cost Savings

1. Deferred Compensation

Effective February 9, 2009 the bargaining units agree to forego City contributions to member deferred compensation accounts for the remainder of the fiscal year ending June 30, 2009.

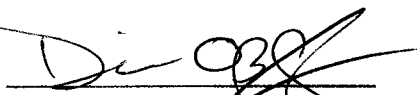
Layoff Procedure

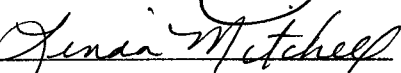
The City agrees not to layoff employees in bargaining units represented by Local 1021 (Maintenance Unit, Clerical Unit, Confidential Unit) unless a lack of work or a lack of funds requires such layoffs and only after the City meets and confers with Local 1021 over the impact of such layoffs.

Dispute Resolution

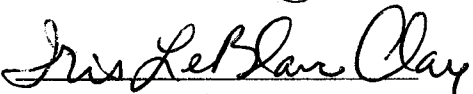
This Side Letter shall not be subject to the dispute resolution procedure contained in the Bargaining Unit's Memorandum of Understanding, to procedures contained in the City's Personnel Rules or to the jurisdiction of the City's Personnel Board for any reason whatsoever.

For SEIU Local 1021


Clerical Unit - Duce O'Bayley


Confidential Unit - Linda Mitchell


Maintenance Unit - Gil Hesla


Iris LeBlanc-Clay, Representative

DATED 5/15/09

For the City of Hayward


Gregory T. Jones, City Manager

DATED 5/19/09